

Total Compensation Advisory Council (TCAC)
Minutes of the Meeting of May 23, 2003

Present: Janet Byrne
Michael Coulter
Daniel Frelund
Patty Goodwin
Phil Savage

DPA Ken Allikian
Jeff Schutt
Karen Fassler
Sue Huang
Marilyn Jordan
Jeff Woodhouse

Announcements: Mr. Allikian called the meeting to order.

Mr. Allikian asked for approval of the minutes of the February 28, 2003, meeting. The minutes were approved as written.

Legislative Update: Jeff Woodhouse talked about the bills that will affect the Department of Personnel and Administration.

House Bill 1316 - the Total Compensation bill passed. There were last minutes changes to it from Higher Education, but they went through fairly easily and the department is pleased with the flexibility that the bill adds for providing a total compensation package to all state employees.

Mr. Coulter asked if higher education managers must provide performance ratings and are subject to penalties. Any supervisor paid by the state, whether in the personnel system or not, must rate employees and is subject to penalties. The higher education amendment to 1316 addressed a handful of non-state supervisors but the appointing authority (must be a state employee) has always been ultimately accountable.

House Bill 1282 - the Personal Services Contract bill did not pass. There is a good possibility that the department will revisit that next legislative session.

Senate Bill 197 - the Pay Day Shift bill passed.

Senate Bill 273 - the Salary Survey Freeze passed. The bill also uses a "back out" provision intended to ensure that the increases will never be made up. The department is working on options that would need statutory changes to be able to fix this structure.

Benefits Update: Ms. Jordan indicated that the Benefits Unit just put an RFP out for the basic life and optional life. Currently the RFP is in the question and answer period.

There is also an RFP out for an enhanced PPO product. This is out of cycle from when the department would normally post an RFP, but due to legislation that was passed regarding a pilot program, the unit wanted to start the pilot and the next five-year cycle at the same time. It will be available for the next open enrollment.

The unit is in the process of researching an on-line open enrollment for the next open enrollment period.

A new communications plan is being put together and will encompass everything that the Benefits Unit is currently doing.

Training modules for all of payroll and HR staff in the agencies are being created. They include all aspects of benefits to ensure that everyone is applying and processing benefits the same way. HIPPA training has been completed for all of the agencies. The state is not a fully covered entity, because we assist in the process with claims processing, etc., so the state is considered to be a hybrid entity.

The unit is also in the process of sending out all of their renewal letters to the current carriers for 2004.

Total Compensation Survey Process: Ms. Huang indicated that a draft of the process had been sent out the middle of March. According to House Bill 1316 - the three components that the department will survey will be cash, insurance (health, dental, life and AD&D), and pay for performance. For the salary survey portion, the department will expand the market to include the entire state.

Two meet and confer sessions were held and approximately 15 to 20 people attended. The most common question was why conduct a survey if it is not funded. The state continues doing the survey because it is a statutory responsibility of the department and it is important that the department keeps monitoring the market practices.

Mr. Coulter asked if Ms. Huang anticipated any major change in the survey adjustments due to the expansion of the market. She indicated that she did not see much of a difference because the majority of the data is still the front-range data and a weighted approach is used.

Governor's Commission on Civil Service Reform Update: The Governor issued two executive orders on March 12, 2003. The first order created the Commission. The second one charged the Commission with looking at the constitution and the basic governance of the state personnel system and then issuing a report to the Governor on the recommended changes by September 1.

The roots of the constitution are back to 1918. Colorado has the most specificity in the constitution on the personnel system than any other state in the country. The Commission has split into three major topic areas: 1) Higher Education - should higher education be in or out of the state personnel system. If recommended to go out, what

should they be under; 2) outsourcing and privatization; and 3) general system reform, which includes everything other than privatization and higher education. Issues that are included in the general system topic are merit principle, the whole area of selection based processes and the rule of three, numbers and types of positions outside of the classified system, clarifying the roles of the state personnel board and the state personnel director, equal pay for equal work concept, disciplinary process, clarifying the appointing authority role and definition, temporary appointments, probationary periods, residency and veteran's preference.

The next field hearing in the Denver area will be on June 4, 2003, in the Old Supreme Court Chambers starting at 1:30 p.m.

The preliminary reports will be on the website after June 1. For additional information on the Commission and its members, see the link below:

<http://www.colorado.gov/dpa/csdc/index.htm>

TCAC Appointment Process: A draft of the process was emailed a few weeks ago. Ms. Fassler asked if there were questions or comments on the draft process. This first year, there will be three appointees - one appointed by the Speaker of the House, one by the President of the Senate, and one by the Director of DPA.

Tentative Agenda for June 27, 2003

Commission Update